

**Palmer Memorial Episcopal Church**  
**Vestry Meeting Minutes**  
**January 18, 2022**

**Vestry present:**

The Rev. Neil Willard  
David Robinson, Senior Warden  
Shannon Westin, Junior Warden  
Gretta Boshara  
David Candler  
Melanie Fahey  
Rand Key  
Steven Killworth  
Danna Kurtin  
Mike Murphy  
Jim Rosenbach  
Posey Saenz  
Libby Spoede  
Susannah Webb  
Kelly Williams  
Lam Yu

**Vestry absent:**

**Clergy present:**

The Rev. Ryan Hawthorne  
The Rev. Jack Karn  
The Rev. Elizabeth Parker

**Clergy absent:**

The Zoom meeting started at 5:31 PM and ended at 6:59 PM. Roger Hutchinson was present to assist with the virtual meeting technology.

1. **Opening Prayer.** Ryan opened the meeting in prayer.
2. **Community Sharing.** Neil encouraged community sharing.
3. **Minutes.** The December 21, 2021 minutes were approved without any corrections. Motion by Steve, second by Melanie, and the minutes were approved.
4. **Overview of Palmer's Financial History.**
  - a. **Introduction by Senior Warden David Robinson.** David introduced Dick Viebig and Davis Maxey as he had requested they review the historical trends of the parish over the past 12 years.
  - b. **Presentation by Finance Council Members Dick Viebig and Davis Maxey.** Dick said the pledges are down 20% with half as many pledge units, however the average pledge per unit has increased over the years. Over the past 5 years, the cumulative deficit is \$7,000 which is a reasonably good standing.

Davis shared that the endowment has grown to \$5M. The balance sheet operating cash on hand is approximately \$400,000 but about half is in restricted funds, and the remaining is about half of one month's expenses. The current debt is the mortgage on the rectory of approximately \$700,000 with ~25 years remaining. The endowment has been contributing up to \$200,000 over the past few years contributing toward revenue, in addition to revenue from pledges and income from Archway and GISH. For expenses, personnel has been about the same, but the cost of maintaining the campus has increased. The money for programming has been essentially cut in half over the past 20 years. There has been a decline in the number of pledging units from a high of 600 to less than 300, and in 2021 was 230 (about 1/3 of the peak 10 years ago). The average Sunday attendance has gone from ~700 to ~300-350. Weddings, confirmations and baptisms have declined to nearly zero in 2020 and 2021. While expenses have remained stable at \$2M, with inflation of 2% it is closer to \$3M. So, expenses have increased but revenues have stayed stable at \$2M with about half of the pledge units (fewer people that are pledging more). The top 25% of pledging units contribute 40-50% of the budget which increases risk of maintaining a sustainable revenue. The underlying trends suggest significant risk. The staff has done a wonderful job managing the budget over the past few years despite these trends.

Posey reflected that while the finance committee has differing perspectives, she has confidence the finance committee and vestry will come together to find solutions. Dick said that our debt compared to other churches are relatively low. Davis said the options are to increase number of pledge units, increase the size of each pledge, or downsize the church in comparison to the number of pledging units. Dick also said that, per Kirk, there is deferred maintenance that will require funding.

## 5. Council Reports.

- a. **Stewardship Council.** Mike reported there are currently 201 pledge units for a total of \$1.44M with the average pledge \$7199.
- b. **Financial Council (including proposed 2022 operating budget).** Posey reported the year end financials were good with being ahead of pledges and plate offerings to break even this year. Posey also reported that over \$400,000 cash is on hand with approximately half in restricted funds. For the 2022 budget, option A had a decrease in choir budget but the deficit could be made up with restricted funds for the choir. Option A does have a deficit. Two items would reduce the budget: 1) would be to have \$100,000 faith pledge (more than what has been pledged), or 2) increase revenue from the endowment. The finance committee would like to request \$300,000 from the endowment committee for 2022 in light of the unusual pandemic circumstances. Option B cut the custodial and security resources that would have less of a deficit however is not the desirable option. Neil said that Jessica has been checking in with people that have not pledged in 2022 that have pledged in previous years. The vestry asked several questions regarding the budget and contingencies. Motion for Option A by Shannon, second by Danna, and the vestry approved the budget with none in opposition.

6. **Strategic Planning Proposal Discussion.** Neil recapped the request by the vestry to have an outside person/organization/consultant facilitate a process of visioning and strategic planning. One proposal was sent by Neil via email to the vestry in December. Neil also requested funding

from the Bishop Quinn Foundation for assistance for funding. Additionally, the expenses would be over a two year period and there have been two persons from the same household that have volunteered to have matching dollars to support the cost of the program. There was a request to see additional proposals in addition to local (or in Texas) consultant that would be familiar with the Houston community, dynamics and diversity. There was a question whether in the interim and/or prior to the visioning, the vestry could send a survey to the parish however there was caution against that to prevent survey confusion or survey fatigue which would likely be a part of the visioning process. Motion by Gretta, second by Steve, to have a subcommittee of vestry members participate in an interview and selection process with a minimum of two proposals.

7. **Annual Meeting Update.** The annual meeting is on Sunday following a combined 10am indoor/outdoor service.
8. **Warden Reports.**
  - a. **David Robinson – Senior Warden.** Deferred.
  - b. **Shannon Westin – Junior Warden.** Deferred.
9. **Clergy Reports.**
  - a. **The Rev. Neil Willard - Rector.** Neil thanked the outgoing vestry members for their service. He also said that he had fun blessing the marathon runners as they passed Palmer.
  - b. **The Rev. Liz Parker – Associate Rector.** There is a new pastoral care group called Surviving Widowhood for men and women meeting every other week.
  - c. **The Rev. Ryan Hawthorne – Curate.** Deferred.
  - d. **The Rev. Jack Karn – Deacon.** Deferred.
10. **Closing Prayer.** Liz closed the meeting in prayer.